**Better tax – Submission**

*A simple solution*

Discussion has centered on the GST and possible raising the rate or expanding the goods and services paying GST. A simple solution to increase tax revenue - ***eliminate the credit GST deduction system for business.***

The consumer pays the 10% GST and this payment is directly credited to the Tax Office by the financial institution. Simple, fair and eliminates any artificial accounting system to inflate GST credits.

* Business, especially small business, would benefit in that there would be no need for BAS reporting – the GST is deducted by the financial institution on deposit – ***elimination of red tape***
* Prices are not directly inflated as the consumer already pays the full 10% GST
* The concern for non-payment of GST on overseas purchases still remains, and the elimination of GST credits would not impact on any future system to collect this GST, compared to the present GST system
* Finally, this eliminates any debate on the expansion of new goods and services for GST that leads to opposition from interest groups – ***easier to get bipartisan political support***

**Conclusion: immediately announce bipartisan political support to introduce the new system from 1st July 2015** – and watch the funds come into government coffers to pay for the necessary services for the sick, the old, the disabled and the disadvantaged…………..and some dollars for infrastructure.

Clem Campbell, B Ag.Sc

17th April 2015